GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1405
ANSWERED ON:04.03.2016
Indian Stock Market
Sawaikar Shri Advocate Narendra Keshav

Will the Minister of FINANCE be pleased to state:

(a). whether foreign investors have recently pulled out more than 2000 crore rupees from the Indian Stock Market;
(b). if so, the reasons therefor;
(c). whether the Government owned Life Insurance Corporation have also joined the foreign investors in selling its holdings; and
(d). if so, the reasons therefor and remedial measures proposed by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a)& (b): The details of FPI investments during the calendar years − 2015 and 2016 (up to February 26, 2016) is as follows −
(INR cr.)

Calendar Year	Equity	Debt	Total
2015	17,808	45,857	63,663
2016 (up to Feb 26, 2016)	(-)16,063	(-)4,113	(-)20,177

Individual foreign portfolio investors (FPIs) make their own investment decision. Some of the common factors that influence FPIs investment include anticipated future returns out of the proposed investment, risk taking ability of the concerned FPI, financial, economic and monetary policy scenarios in its own jurisdiction and competitive markets, investment objective and mandate of the concerned FPI and other global macroeconomic and geopolitical factors.
(c) & (d) Being a contrarian investor, Life Insurance Corporation(LIC) takes the opportunity to buy stocks at reasonable valuation at the time of falling stock market LIC has purchased equity shares amounting to Rs. 65,975.48 crore during Financial Year 2015-16 till February 2016 against Rs. 39,333.23 during corresponding period of Financial Year 2014-15.Corporation has sold equity shares amounting to Rs. 21,395.73 crore during Financial Year 2015-16 till February 2016 against Rs. 48,151.74 during corresponding period of Financial Year 2014-15.
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